



MAY 31 2016

Administrator  
Washington, DC 20201

The Honorable Tom Price, MD  
U.S. House of Representatives  
Washington, DC 20515

Dear Representative Price:

Thank you for sharing your thoughts regarding our proposed Part B Drug Payment Model. The Centers for Medicare & Medicaid Services (CMS) appreciates you bringing these views to our attention.

As you note, CMS has issued a proposed rule describing a new Part B Drug Payment Model that would test a two-phase model whether alternative drug payment designs may improve how Medicare Part B pays for prescription drugs and supports physicians and other clinicians in delivering higher quality care. This proposal is part of the Administration's broader strategy to encourage better care, smarter spending, and healthier people by paying for what works, unlocking health data, and finding new ways to coordinate and integrate care to improve quality. More specifically, this proposed rule is designed to test different physician and patient incentives to do two things: drive the prescribing of the most effective drugs and test new payment approaches that reward positive patient outcomes.

The comment period for the proposed rule closed on May 9, 2016. We have included your comments as part of the public record. We will carefully consider the public comments on this proposal that we received during the public comment period in developing a final rule.

We appreciate your interest in this important issue as we work towards our mutual goal of strengthening the Medicare program for all beneficiaries. I will provide a copy of this response to the co-signers of your letter.

Sincerely,

A handwritten signature in black ink, appearing to read "Andrew M. Slavitt", is written above the printed name.

Andrew M. Slavitt  
Acting Administrator